



## COUNCIL MINUTES

May 20, 2010

The City Council of the City of Mesa met in a Study Session in the lower level meeting room of the Council Chambers, 57 East 1st Street, on May 20, 2010 at 7:42 a.m.

### COUNCIL PRESENT

Mayor Scott Smith  
Alex Finter  
Dina Higgins  
Kyle Jones  
Dennis Kavanaugh  
Scott Somers

### COUNCIL ABSENT

Dave Richins

### OFFICERS PRESENT

Christopher Brady  
Debbie Spinner  
Linda Crocker

(Mayor Smith excused Councilmember Richins from the entire meeting.)

### 1. Hear a presentation and discuss the 2010 Arizona Legislative Session.

Assistant to the City Manager Scott Butler provided the Council an overview of the major legislative issues that impacted Arizona cities and towns during the 2010 Arizona Legislative Session. He stated that the primary focus of this year's session was related to balancing and enacting the FY 2010/11 budget.

Mr. Butler reported that on April 29, 2010, the 49<sup>th</sup> Arizona Legislature adjourned, the earliest date of adjournment in 14 years. He explained that over 1,200 bills were introduced and said that Governor Brewer signed 338 bills into law and vetoed 14 bills. Mr. Butler added that the City of Mesa had an interest in more than 400 pieces of proposed legislation.

Mr. Butler advised that on May 18<sup>th</sup>, Arizona voters approved Proposition 100, a temporary three-year one-cent sales tax increase that would generate approximately \$1 billion to help reduce the State's budget deficit. He noted that the State's General Fund is at the FY 2004/05 level and said that it was necessary to make significant cuts in order to balance the budget. Mr. Butler added that the State would capture 100% of the sale tax proceeds, which normally would be shared with Arizona cities and towns.

Mr. Butler displayed a PowerPoint presentation (**See Attachment 1**) and updated the Council on Mesa's legislative priorities (fiscal sustainability, public safety, economic development and neighborhoods) that he first presented in January of this year. (See Pages 2, 3 and 4 of Attachment 1)

Mr. Butler advised that with regard to Senate Bill 1070, which the Governor signed into law on April 23, 2010, the League of Arizona Cities and Towns worked with the Legislature and its leadership to clarify some of the ambiguity that existed in the language of the bill that would impact local communities and police policies. He stated that a follow-up bill, House Bill 2162, was passed, which clarified certain provisions of Senate Bill 1070 that were problematic from a law enforcement standpoint and also addressed questions related to other immigration bills that passed during the 2009 Legislative Session.

Mayor Smith commented that regardless how citizens feel about immigration enforcement, Senate Bill 1070 will have "a potentially huge impact" on cities because it is "an unfunded mandate." He stated that most of the law's enforcement requirements fall on Arizona cities and towns and noted that although the law contains a funding mechanism for such efforts, the Legislature chose to not implement it. Mayor Smith further emphasized that it was important for citizens to understand that the State Legislature passed this law with full knowledge that the cost burdens associated with it were specifically laid upon Arizona cities and towns and their citizens.

Discussion ensued relative to the creation of Government Property Lease Excise Tax (GPLET) legislation; that the GPLET is collected on government property leased to private businesses; that in the past, the City of Mesa opposed GPLET reforms that would threaten existing development agreements (i.e., Gaylord and DMB) and weaken the mechanism as a tool for development; and that with the passage of House Bill 2504, language was included in the statutes that grandfathered in existing projects (i.e., Mesa's Gaylord Development Agreement), provided revisions for low-tax communities and defined "central business district."

Mr. Butler reported that relative to the City of Mesa's efforts to introduce Spring Training legislation to retain the Chicago Cubs, the bill passed the House of Representatives but failed to advance in the State Senate. He assured the Council that efforts remain underway to work with the Legislature to look for opportunities to address tourism and spring training in Arizona. Mr. Butler noted that many State legislators understand the importance of the Chicago Cubs and spring training not only to the Valley's economy, but to Arizona as a whole.

Mr. Butler further advised that the State Legislature failed to extend the Motion Picture Production Tax Incentive Program, which is scheduled to sunset in December 2010. He said he was hopeful that the Legislature might be able to remedy the situation either through a Special Session this year or in January 2011 when it convenes.

Additional discussion ensued relative to the fact that although there were numerous attempts to eliminate the 2010 payday lending sunset provision, such efforts proved unsuccessful and the provision is set to expire June 30, 2010; that on May 10, 2010, the Governor signed into law House Bill 2246, which authorizes the sale and use of permissible consumer fireworks to the general public in Arizona; that the law includes a provision that would allow municipalities to regulate or even ban fireworks within their incorporated boundaries; and that staff is researching the matter and will bring back recommendations for the Council's consideration prior to the law going into effect on December 1, 2010.

Mr. Butler offered a short synopsis of House Bill 2003, which authorizes one or more municipalities (including an Indian tribe or community) in Maricopa County to form a revitalization district. He said that the bill, which was signed into law by Governor Brewer,

allows 51% of the property owners and landowners with at least 51% of the assessed value within the proposed district to create a revitalization area. Mr. Butler noted that the powers of a revitalization district include planning, designing, repairing and operating public infrastructure or providing enhanced municipal services. He added that this is a new tool that the City could implement in an effort to revitalize the Fiesta Mall area.

Further discussion ensued relative to the passage of House Bill 2596 which, among other things, restricts the number of entertainment districts that cities of various sizes may designate; that the passage of Senate Bill 1366 removed the Department of Transportation's exemption from statutes governing the use of eminent domain; that House Bill 2282, which is effective January 1, 2013, requires that "local governments" establish and maintain an official, publicly accessible Internet website with an electronically searchable database of all receipts and expenditures greater than \$5,000; and that the passage of House Bill 2289 made a series of changes to the Arizona State Retirement System (ASRS) retirement plan regarding ASRS members whose memberships begin after July 1, 2011.

In response to a question from Councilmember Somers, Manager of Technology and Innovation Alex Deshuk clarified that the CityEdge project, which will replace the City's current financial system (i.e., Human Resources, Payroll, Budget and time accounting system), would have the necessary capabilities to comply with the requirements of House Bill 2282. He added that staff is exploring opportunities to build a CityEdge system that other communities could use and share.

City Manager Christopher Brady added that under the City's current financial system, it would be very difficult to meet the requirements of House Bill 2282.

Councilmember Kavanaugh commended Mr. Butler and City staff for their efforts and hard work during the 2010 Legislative Session.

Mayor Smith also expressed appreciation to staff for protecting the interests of Mesa residents and the community as a whole throughout the Legislative Session.

2. Hear reports on meetings and/or conferences attended.

Councilmember Kavanaugh:	Read a story to preschool children at the Dobson Ranch Library
Mayor Smith:	Attended the naming ceremony for A New Leaf's new Pat Gilbert Center; Mesa United Way Recognition Luncheon

3. Scheduling of meetings and general information.

City Manager Christopher Brady stated that the meeting schedule is as follows:

Thursday, May 27, 2010, 7:30 a.m. – Study Session

4. Items from citizens present.

There were no items from citizens present.

5. Convene an Executive Session.

It was moved by Vice Mayor Jones, seconded by Councilmember Somers, that the Council adjourn the Study Session at 8:37 a.m. and enter into an Executive Session.

Mayor Smith declared the motion carried unanimously by those present and an Executive Session was convened at 8:38 a.m.

- a. Discussion or consultation with the City Attorney in order to consider the City's position and instruct the City Attorney regarding the City's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation. (A.R.S. §38-431.03A (4)) Discussion or consultation with designated representatives of the City in order to consider the City's position and instruct the City's representatives regarding negotiations for the purchase, sale, or lease of real property. (A.R.S. §38-431.03A (7))

1. Chicago Cubs Spring Training

6. Adjournment.

Without objection, the Executive Session adjourned at 9:45 a.m.

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SCOTT SMITH, MAYOR

ATTEST:

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LINDA CROCKER, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Mesa, Arizona, held on the 20<sup>th</sup> day of May, 2010. I further certify that the meeting was duly called and held and that a quorum was present.

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LINDA CROCKER, CITY CLERK